

NOTICE OF AMENDMENT TO
WIC PROGRAM VENDOR AGREEMENT

April 1, 2004

Dear WIC Vendor:

Section 104(b) of Public Law 105-336, the William F. Gooding Child Nutrition Reauthorization Act of 1998, enacted October 31, 1998, amends Section 12(g) of the National School Lunch (NSL) Act, by changing the maximum penalty for misuse or illegal use of funds, assets or property of a grant or other assistance under the NSL Act from \$10,000 to \$25,000. As set forth in Section 12(g) of the NSL Act, the maximum penalty also applies to programs under the Child Nutrition Act. Currently, Sections 246.12(h)(3)(xx) (new reference) and 246.23(d) of the WIC Program federal regulations establish a maximum fine of \$10,000, in accordance with Section 12(g) of the NSL Act, for individuals that embezzle, willfully misapply, steal or obtain by fraud, any funds, assets or property provided, whether received directly or indirectly from USDA that are a value of \$100 or more. **Therefore, based on the legislative change noted above, the maximum penalty or fine for misuse or illegal use of WIC Program funds, assets or property is \$25,000.**

WIC Program regulations are in the process of being revised to reflect this change. In accordance with section A.15. of your WIC Program Vendor Agreement, section A.12. is hereby amended to reflect the increased penalty and fine amount and will become effective April 16, 2004. A vendor who commits fraud or abuse of the Program is liable for prosecution under applicable Federal, State, or local laws, and may now be subject to a fine of up to \$25,000 or imprisonment for up to 5 years or both in accordance with the change. If you have any questions during normal business hours, please contact your local WIC agency, or James A. Butler at 410-767-5258 or 1-800-242-4WIC(4942).

Sincerely,

Kathleen A. Knolhoff, Director
Office of the Maryland WIC Program

cc: Local WIC Agencies